



DEPARTMENT OF THE TREASURY

Agency Information Collection Activities; Submission for OMB Review; Comment Request; U. S. Business Income Tax Returns

AGENCY: Departmental Offices, U.S. Department of the Treasury.

ACTION: Notice of Information Collection; request for comment.

SUMMARY: The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995. Currently, the IRS is soliciting comments concerning the burden associated with the U. S. Business Income Tax Returns.

DATES: Comments should be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be assured of consideration.

ADDRESSES: Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Copies of the submissions may be obtained from Melody Braswell by e-mailing PRA@treasury.gov, calling (202) 622-1035, or viewing the entire information collection request at www.reginfo.gov.

SUPPLEMENTARY INFORMATION:

Internal Revenue Service (IRS)

Title: U. S. Business Income Tax Returns.

OMB Control Number: 1545-0123.

Form Numbers: 1065, 1066, 1120, 1120-C, 1120-F, 1120-FSC, 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-S, 1120-SF and related attachments.

Abstract: These forms are used by businesses to report their income tax liability.

Current Actions: There have been changes in regulatory guidance related to various forms approved under this approval package during the past year. Additionally, there have been additions and removals of some forms included in this approval package.

Type of Review: Revision of currently approved collections.

Affected Public: Corporations and Pass-Through Entities.

Estimated Number of Respondents: 12,500,000.

Total Estimated Time: 952,000,000 hours.

Estimated Time per Respondent: 76 hours.

Total Estimated Out-of-Pocket Costs: \$59,487,000,000.

Total Monetized Burden: \$112,223,000,000.

Fiscal Year (FY) 2023 Burden Total Estimates for Form 1120 and 1065 Series and associated forms, schedules, and regulations					
FY2023					
	FY22	Program Change due to Adjustment	Program Change due to New Legislation	Program Change due to Agency	FY23
Number of Taxpayers	12,300,000	200,000	0	0	12,500,000
Burden in Hours	1,138,000,000	(186,000,000)	0	0	952,000,000
Burden in Monetized Hours	55,915,000,000	(3,179,000,000)			52,736,000,000
Out-of-Pocket Costs	\$48,303,000,000	\$11,184,000,000	0	0	\$59,487,000,000
Total Monetized Burden*	\$104,218,000,000	\$8,005,000,000	0	0	\$112,223,000,000

*Total monetized burden = Monetized hours + Out-of-pocket costs

Table 1 – Taxpayer Burden for Entities Taxed As Partnerships				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (in millions)	Average Time (hrs.)	Average Out-of-Pocket Cost	Average Monetized Burden
All Partnerships	4.9	70	\$4,700	\$8,500
Small	4.6	60	\$3,100	\$5,400
Large*	0.3	225	\$26,700	\$52,200
Forms 1065, 1066, and all attachments				

Table 2 – Taxpayer Burden for Entities Taxed As Taxable Corporations				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (in millions)	Average Time (hrs.)	Average Out-of-Pocket Cost	Average Monetized Burden
All Taxable Corporations	2.1	110	\$7,200	\$15,100
Small	2.0	65	\$3,600	\$6,400
Large*	0.1	770	\$61,700	\$148,500
Forms 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-POL and all attachments				

Table 3 – Taxpayer Burden for Entities Taxed As Pass-Through Corporations				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (in millions)	Average Time (hrs.)	Average Out-of-Pocket Cost	Average Monetized Burden
All Pass-through Corporations	5.4	70	\$3,900	\$7,100
Small	5.3	65	\$3,500	\$6,200
Large*	0.1	320	\$34,900	\$70,800
Forms 1120-REIT, 1120-RIC, 1120-S and all attachments				

*A large business is defined as one having end-of-year assets greater than \$10 million. Total filers counts may not equal the burden total estimates table due to rounding.

Table 1A – Taxpayer Burden for Taxable Corporations on Form 1120			
Total Positive Income	Average Time (hrs.)	Average Out-of-Pocket Costs	Average Monetized Burden
1. < 100k	55	1,569	2,547
2. 100k to 1mil	76	4,540	7,688
3. 1mil to 10mil	118	12,676	25,162
4. 10mil to 100mil	491	52,315	107,655
5. > 100mil	4,377	267,506	761,004
Table 2A – Taxpayer Burden for Pass-through Corporations on Form 1120S			
Total Positive Income	Average Time (hrs.)	Average Out-of-Pocket Costs	Average Monetized Burden
1. < 100k	58	1,452	2,309
2. 100k to 1mil	66	3,593	6,062
3. 1mil to 10mil	88	9,093	18,128
4. 10mil to 100mil	319	34,954	70,796
5. > 100mil	1,385	147,205	302,504
Table 3A – Taxpayer Burden for Partnerships on Form 1065			
Total Positive Income	Average Time (hrs.)	Average Out-of-Pocket Costs	Average Monetized Burden
1. < 100k	52	1,633	2,683
2. 100k to 1mil	65	4,617	8,014
3. 1mil to 10mil	109	12,993	24,824
4. 10mil to 100mil	400	48,022	92,986
5. > 100mil	1,787	194,559	395,062

Authority: 44 U.S.C. 3501 et seq.

Spencer W. Clark,

Treasury PRA Clearance Officer.

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